

# Summary of Governor's General Fund Budget Recommendations

## *Background*

The following tables and charts show in summary form the Governor's General Fund budget recommendations for the FY 06-07 biennium. These tables and charts are thus explained:

**Table I - 1** shows total General Fund appropriations by department or agency (including one time appropriations) with percent change for the FY 06-07 biennium compared to fiscal year 2004-05.

# TABLE I - 1

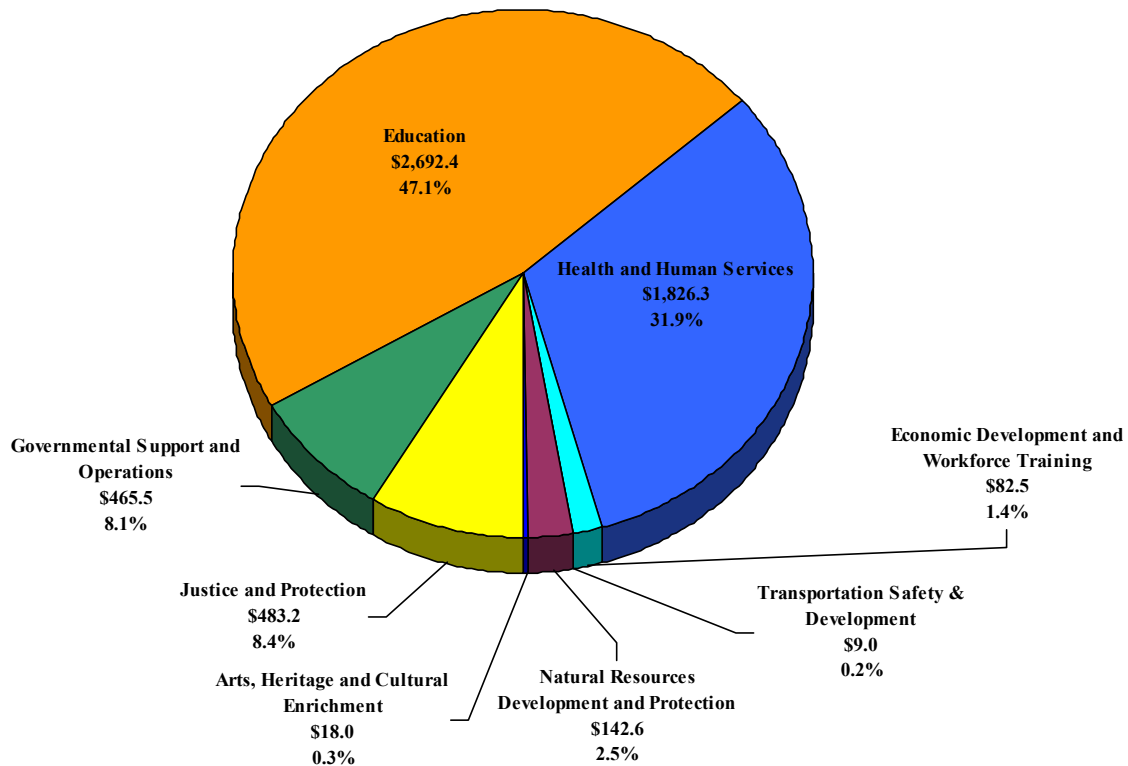
## GENERAL FUND APPROPRIATIONS

DEPARTMENT/AGENCY	FY 05	GOVERNOR'S BUDGET			
		FY 06	PERCENT CHANGE	FY 07	PERCENT CHANGE
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES	174,353,091	98,260,512	-43.64%	96,387,805	-1.91%
DEPARTMENT OF AGRICULTURE, FOOD AND RURAL RESOURCES	8,851,432	8,135,894	-8.08%	7,876,103	-3.19%
MAINE ARTS COMMISSION	814,603	814,603		814,603	
ATLANTIC SALMON COMMISSION	636,712	636,712		636,712	
ATLANTIC STATES MARINE FISHERIES COMMISSION	35,500	35,500		35,500	
DEPARTMENT OF THE ATTORNEY GENERAL	13,854,719	15,656,664	13.01%	16,591,869	5.97%
DEPARTMENT OF AUDIT	1,497,172	1,492,172	-0.33%	1,492,172	
BAXTER COMPENSATION AUTHORITY	6,000,000		-100.00%		
DEPARTMENT OF CONSERVATION	22,524,540	23,284,178	3.37%	23,846,496	2.42%
DEPARTMENT OF CORRECTIONS	125,970,365	136,698,404	8.52%	142,463,007	4.22%
MAINE CRIMINAL JUSTICE COMMISSION	17,048	17,048		17,048	
MAINE STATE CULTURAL AFFAIRS COUNCIL	100,000	100,000		100,000	
DEPARTMENT OF DEFENSE, VETERANS AND EMERGENCY MANAGEMENT	4,786,903	5,139,792	7.37%	5,328,329	3.67%
DISABILITY RIGHTS CENTER	74,485	74,485		74,485	
DOWNEAST INSTITUTE FOR APPLIED MARINE RESEARCH	15,000		-100.00%		
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT	12,026,626	11,912,509	-0.95%	11,912,509	
STATE BOARD OF EDUCATION	156,818	156,818		156,818	
DEPARTMENT OF EDUCATION	974,738,361	1,072,829,590	10.06%	1,143,423,011	6.58%
DEPARTMENT OF ENVIRONMENTAL PROTECTION	6,381,099	6,081,099	-4.70%	6,081,099	
COMMISSION ON GOVERNMENTAL ETHICS AND ELECTION PRACTICES	166,507	159,719	-4.08%	167,621	4.95%
EXECUTIVE DEPARTMENT	5,736,302	5,789,836	0.93%	5,837,043	0.82%
FINANCE AUTHORITY OF MAINE	12,557,705	12,740,955	1.46%	12,740,955	
MAINE FIRE PROTECTION SERVICES COMMISSION	13,739	14,616	6.38%	14,616	
FOUNDATION FOR BLOOD RESEARCH	69,348	69,348		69,348	
GOVERNOR BAXTER SCHOOL FOR THE DEAF	5,757,517	5,906,061	2.58%	6,058,437	2.58%
MAINE HISTORIC PRESERVATION COMMISSION	317,420	317,420		317,420	
MAINE HISTORICAL SOCIETY	57,529	57,529		57,529	
MAINE HOSPICE COUNCIL	69,352	69,352		69,352	
MAINE STATE HOUSING AUTHORITY	460,600	460,600		460,600	
MAINE HUMAN RIGHTS COMMISSION	487,624	496,892	1.90%	554,232	11.54%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (FORMERLY BDS)	263,614,777	264,953,574	0.51%	272,103,578	2.70%
DEPARTMENT OF HEALTH AND HUMAN SERVICES (FORMERLY HUMAN SVCS)	596,801,425	634,051,195	6.24%	654,795,560	3.27%
MAINE HUMANITIES COUNCIL	70,971	70,971		70,971	
MAINE INDIAN TRIBAL-STATE COMMISSION	36,081	36,081		36,081	
DEPARTMENT OF INLAND FISHERIES AND WILDLIFE	23,346,952	22,851,446	-2.12%	22,872,257	0.09%
CENTERS FOR INNOVATION	156,853	156,853		156,853	
JUDICIAL DEPARTMENT	54,019,528	57,096,240	5.70%	59,426,572	4.08%
DEPARTMENT OF LABOR	15,936,718	15,936,718		16,060,571	0.78%
LAW AND LEGISLATIVE REFERENCE LIBRARY	1,476,246	1,558,924	5.60%	1,605,851	3.01%
LEGISLATURE	22,504,145	22,803,810	1.33%	24,954,279	9.43%
MAINE STATE LIBRARY	3,529,241	3,620,295	2.58%	3,713,699	2.58%
DEPARTMENT OF MARINE RESOURCES	9,855,342	9,874,707	0.20%	10,192,799	3.22%
MAINE MARITIME ACADEMY	7,457,281	7,625,070	2.25%	7,815,697	2.50%
MAINE MUNICIPAL BOND BANK	92,463	92,463		92,463	
MAINE STATE MUSEUM	1,564,957	1,664,014	6.33%	1,713,740	2.99%
PINE TREE LEGAL ASSISTANCE	136,261	136,261		136,261	
OFFICE OF PROGRAM EVALUATION AND GOVERNMENTAL ACCOUNTABILITY	286,996	954,429	232.56%	970,762	1.71%
STATE BOARD OF PROPERTY TAX REVIEW	104,856	104,856		104,856	
MAINE PUBLIC BROADCASTING CORPORATION	2,280,138	2,280,138		2,280,138	
DEPARTMENT OF PUBLIC SAFETY	21,398,120	20,907,164	-2.29%	22,458,855	7.42%
(BRD OF TRUSTEES OF THE) ME STATE RETIREMENT SYSTEM	233,348	205,419	-11.97%	213,636	4.00%
SACO RIVER CORRIDOR COMMISSION	53,537	53,537		53,537	
DEPARTMENT OF THE SECRETARY OF STATE	3,534,581	3,688,935	4.37%	3,776,905	2.38%
ST. CROIX INTERNATIONAL WATERWAY COMMISSION	24,918	24,918		24,918	
RESERVE FUND FOR STATE HOUSE PRESERVATION AND MAINTENANCE	800,000	800,000		800,000	
BOARD OF TRUSTEES OF THE MAINE TECHNICAL COLLEGE SYSTEM	41,472,054	42,542,033	2.58%	43,639,617	2.58%
DEPARTMENT OF TRANSPORTATION	3,588,358	4,392,557	22.41%	4,585,460	4.39%
(OFFICE OF) TREASURER OF STATE	77,016,396	98,356,426	27.71%	94,725,845	-3.69%
BOARD OF TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM	179,971,418	181,121,418	0.64%	181,121,418	
NEW ENGLAND INTERSTATE WATER POLLUTION CONTROL COMMISSION	10,000	10,000		10,000	
<b>TOTAL</b>	<b>2,709,902,078</b>	<b>2,805,378,760</b>	<b>3.52%</b>	<b>2,914,097,898</b>	<b>3.88%</b>

**Chart I - 1** shows the Governor's recommended General Fund appropriations for the FY 06-07

biennium by policy area.

**Chart I - 1**  
**FY 06/07 General Fund Recommended Appropriations**  
**By Policy Area**  
**\$5,719.5**



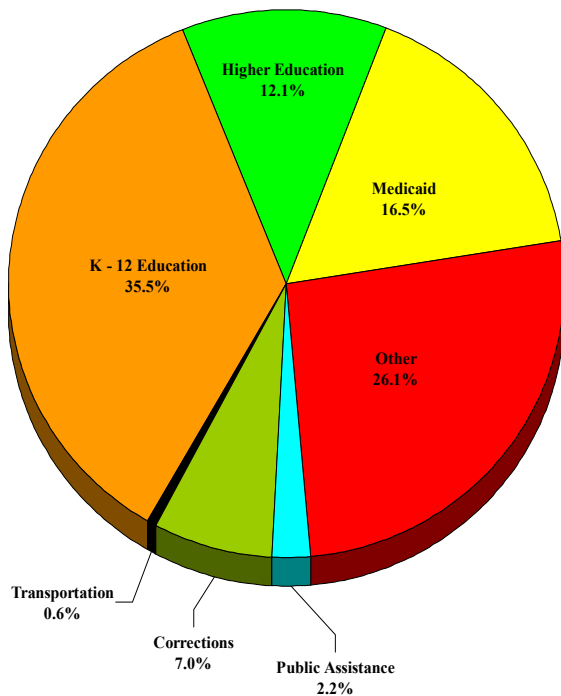
**All Dollars in Millions**

**Chart I - 2** shows the Governor's recommended General Fund appropriations for the FY 06-07 biennium by selected program area. Medicaid as a percent of the General Fund would be 21.8%

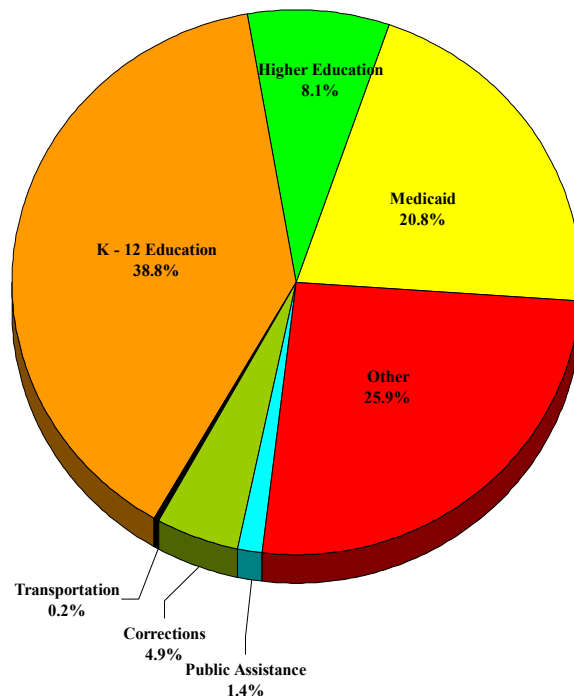
compared to an average of 16.5% for all states in FY 03.

## Chart I - 2

**FY 03  
All States \***



**FY 06 - 07  
General Fund Recommended  
Appropriations By Selected Program Areas**



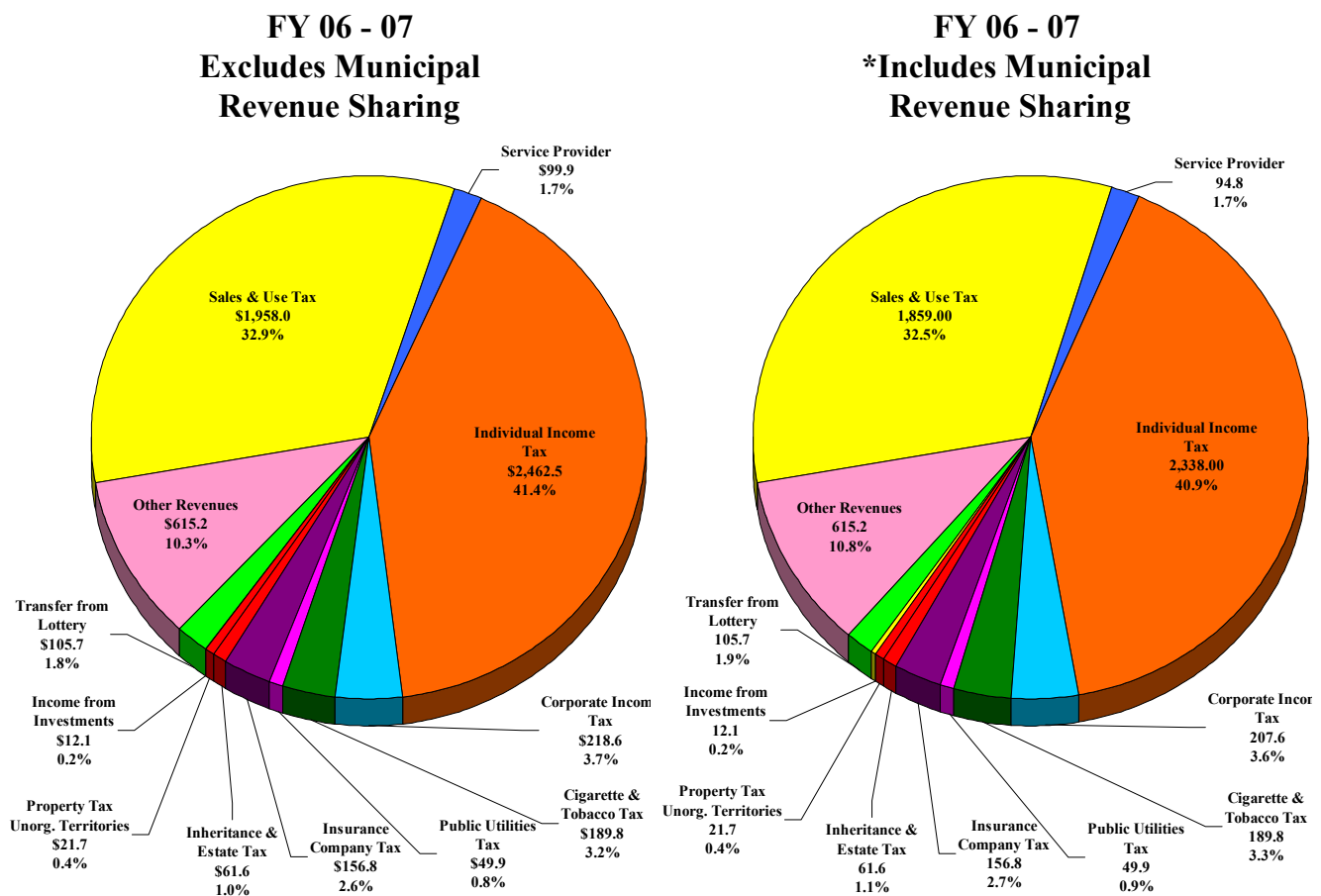
\* Source: National Association of State Budget Officers, *2003 State Expenditure Report*.  
These are the standard program areas for comparison used by the National Association of State Budget Officers.

**Chart I - 3** shows the Governor's recommended General Fund revenues by line for the FY 06-07 biennium. These revenues include the base revenue

projections of the Revenue Forecasting Committee and adjustments to those base revenues recommended by the Governor.

## Chart I - 3

### FY 06/07 General Fund Recommended Revenues By Source



\* Sales and Use, Service Provider, Individual Income and Corporate Income tax amounts are net of approximately \$239.2 million in transfers to municipalities as indicated in MRSA Title 30-A, Section 1561.

**Table I - 2** shows the General Fund revenues recommended by the Governor for fiscal year 2005-06 and fiscal year 2006-07. The column labeled Orig. is the General Fund revenue forecast of the Revenue Forecasting Committee. The column

labeled Adj. includes the Governor's recommended adjustments to the base revenues.

**Table I - 3** explains the individual adjustments to base General Fund revenues.

**TABLE I - 2**

<b>GENERAL FUND REVENUE FORECAST</b>									
<b>Showing Yearly Adjustments</b>									
<b>SOURCE</b>	<b>FISCAL YEAR 05</b>			<b>FISCAL YEAR 06</b>			<b>FISCAL YEAR 07</b>		
	<b>ORIG.</b>	<b>ADJ.</b>	<b>BUDGET</b>	<b>ORIG.</b>	<b>ADJ.</b>	<b>BUDGET</b>	<b>ORIG.</b>	<b>ADJ.</b>	<b>BUDGET</b>
<b>Sales and Use Tax</b>	914,710,000		914,710,000	954,918,500	3,558,198	958,476,698	994,344,829	5,208,350	999,553,179
<b>Service Provider Tax</b>	46,700,000		46,700,000	48,801,500		48,801,500	51,095,171		51,095,171
<b>Individual Income Tax</b>	1,220,849,053		1,220,849,053	1,275,740,000	(77,681,125)	1,198,058,875	1,334,790,000	(70,318,695)	1,264,471,305
<b>Corporate Income Tax</b>	123,351,604		123,351,604	113,105,057	(583,746)	112,521,311	106,783,219	(668,018)	106,115,201
<b>Cigarette &amp; Tobacco Tax</b>	96,019,864		96,019,864	95,225,360		95,225,360	94,533,494		94,533,494
<b>Public Utilities Tax</b>	26,675,000		26,675,000	25,440,000		25,440,000	24,495,000		24,495,000
<b>Insurance Company Tax</b>	78,615,872		78,615,872	77,141,931		77,141,931	79,644,425		79,644,425
<b>Inheritance &amp; Estate Tax</b>	29,042,767		29,042,767	30,100,403	2,800	30,103,203	31,620,061	(93,000)	31,527,061
<b>Property Tax - Unorg. Terr.</b>	10,580,086		10,580,086	10,690,713		10,690,713	10,982,067		10,982,067
<b>Income from Investments</b>	4,084,735		4,084,735	6,046,546		6,046,546	6,046,546		6,046,546
<b>Trans. to Muni. Rev. Share</b>	(116,324,258)		(116,324,258)	(122,892,334)	5,751,565	(117,140,769)	(127,832,161)	5,356,957	(122,475,204)
<b>Transfer from Lottery</b>	52,292,750		52,292,750	52,834,250		52,834,250	52,834,250		52,834,250
<b>All Other</b>	236,959,334	(3,067,253)	233,892,081	151,975,252	152,058,097	304,033,349	169,293,021	141,847,031	311,140,052
<b>TOTAL REVENUE</b>	<b>2,723,556,807</b>	<b>(3,067,253)</b>	<b>2,720,489,554</b>	<b>2,719,127,178</b>	<b>83,105,789</b>	<b>2,802,232,967</b>	<b>2,828,629,922</b>	<b>81,332,625</b>	<b>2,909,962,547</b>

TABLE I - 3

General Fund Recommended Revenue Adjustments Detail by Revenue Line for the FY 06-07 Biennium		
Revenue Line and Source of Adjustment	FY 06	FY 07
<b>Sales and Use Tax</b>		
Sales Tax - Residential Rentals	2,805,058	4,714,763
Delays Broadcasters Exemption	753,140	493,587
	3,558,198	5,208,350
<b>Individual Income Tax</b>		
Expansion of Circuit Breaker program requirements	(8,270,397)	(8,942,149)
Recognizes BETR as offset to Income Tax	(74,286,191)	(79,050,341)
Extends non-conformity provisions of student loan interest payments	202,207	515,627
Extends child care credit rate reduction	145,000	584,350
Extends non-conformity for standard deduction marriage penalty	2,904,000	8,028,000
Repeals extraterritorial income tax provisions	547,497	1,810,775
Delay Education Attainment Credit two years	1,076,759	6,735,043
	(77,681,125)	(70,318,695)
<b>Corporate Income Tax</b>		
Recovery period of leasehold improvement and restaurant property	(237,500)	(250,000)
Conformity to federal ship building provisions	(346,246)	(418,018)
	(583,746)	(668,018)
<b>Inheritance and Estate Tax</b>		
Non-Resident Estates	196,000	205,800
Estates of decedents dying on or after January 1, 2005	(193,200)	(298,800)
	2,800	(93,000)
<b>Municipal Revenue Sharing</b>		
Continuation of 5.1% distribution for municipal revenue sharing	2,363,314	2,458,311
Adjustment associated with BETR as offset to income tax	3,788,596	4,031,567
Extends non-conformity provisions of student loan interest payments	(10,313)	(26,297)
Extends child care credit rate reduction	(7,395)	(29,802)
Extends non-conformity for standard deduction marriage penalty	(148,104)	(409,428)
Repeals extraterritorial income tax provisions	(27,922)	(92,350)
Delay Education Attainment Credit two years	(54,915)	(343,487)
Recovery period of leasehold improvement and restaurant property	12,113	12,750
Conformity to federal ship building provisions	17,659	21,319
Sales Tax - Residential Rentals	(143,058)	(240,453)
Delays Broadcasters Exemption	(38,410)	(25,173)
	5,751,565	5,356,957
<b>Other</b>		
Reduction in real estate tax payments to HOME fund at MSHA	7,500,000	7,500,000
Securitization of lottery revenue	134,000,000	116,000,000
Increased seed label license fees	57,560	57,560
Increased fertilizer registration fees	1,480	1,480
Air Filter project	33,042	34,349
Egg/Poultry inspection program	25,956	26,706
Reduction in revenues associated with elimination of Advocate position	(37,652)	(37,652)
Additional park fees associated with upgrading campsites		70,000
LURC assessment	60,000	60,000
Fees associated with web-based burn permit system	800,000	800,000
Increased revenues associated with enhanced forest management	200,000	300,000
Housing of federal residents at Longcreek and collection of court-ordered fees	949,000	949,000
Housing of federal residents Adult Comm. Corr. and collection of court-ordered fees	290,000	290,000
Increase in licensing fees for home child care, child care centers and nursery schools	106,330	106,330
Increase in license fee for tobacco retailers	92,750	92,750
Increase in license fees	2,361,659	2,861,656
Change in boat registration fees - IF&W	716,762	716,762
Increase in revenue due to an accelerated collection effort of overdue fines	1,100,000	1,900,000
Increase in revenue due to revised estimate of revenues collected	1,500,000	1,500,000
Increase in number of speed details using aircraft by 60 per year	300,000	300,000
Increase fines for seat belt offense	650,704	650,704
Increase fines for assault	593,154	593,154
Increase fines for driving to endanger	43,970	43,970
Change in boat registration fees - Marine Resources	368,237	368,237
Entrance fees associated with being open 7 days per week	41,000	43,000
Increase in notary public fees	102,700	102,700
Increase in late filing penalties for non-profits	27,960	27,960
Increase in fees associated with the resignation of a clerk or registered agent	3,960	3,960
Increase in reinstatement fees	36,975	36,975
Increase in late filing penalties for businesses	132,550	132,550
Unclaimed property associated with discount cards		6,314,880
	152,058,097	141,847,031
<b>Total Revenue Adjustments</b>	<b>83,105,789</b>	<b>81,332,625</b>

**Chart I - 4** shows the General Fund trend from fiscal year 1995-96 through the fiscal year 2004-05 and FY 06-07 biennial budget recommendations.

# **Chart I - 4** **HISTORICAL GENERAL FUND** **APPROPRIATIONS BY PROGRAM AREA** **FY 96 - FY 05 AND FY 06 - FY 07 GOVERNOR'S** **RECOMMENDATIONS**

